

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 8185**

**BILL NUMBER:** HB 2086

**DATE PREPARED:** Jan 21, 1999

**BILL AMENDED:**

**SUBJECT:** Incumbent Worker Training Program and Fund.

**FISCAL ANALYST:** Beverly Holloway

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill establishes the Incumbent Worker Training Program to be funded by a 0.035% assessment upon wages and to be administered by the Department of Workforce Development. It also establishes the Incumbent Worker Training Fund to be used for the administration of the incumbent worker training program.

This bill makes conforming amendments.

**Effective Date:** January 1, 2000.

**Explanation of State Expenditures:** This bill establishes the Incumbent Worker Training Program. The purpose of the program is to: (1) Improve manufacturing productivity levels in Indiana. (2) Make firms become competitive by making workers more productive through training. (3) Create a competitive economy by creating and retaining jobs. (4) Encourage the increased training necessary because of an aging workforce. (5) Avoid potential payment of unemployment compensation by providing workers with enhanced job skills. The Department of Workforce Development is to administer the Incumbent Worker Training Program. All cost incurred in the administration of the program is to be paid from the Incumbent Worker Training Fund.

**Explanation of State Revenues:** This bill also establishes the Incumbent Worker Training Fund to be used for the administration of the incumbent worker training program. Effective January 1, 2000, an assessment of 0.035% is to be made on wages paid by employers except those who elect to make payments in lieu of contributions. The assessments are to be reported by the employer on a quarterly basis to the DWD. Assessments are to be deposited into the Incumbent Worker Training Fund. In 1996, approximately \$63 billion was paid in wages by employers (not including government/public sector jobs) to employees. There would be approximately \$22 million annually deposited into the Fund. This amount will vary because of those employers who elect to make payments in lieu of contributions.

This bill allows for the collection of delinquent or unpaid incumbent worker training assessments. Delinquent payments and late fees are also deposited into the Incumbent Worker Training Fund.

The Treasurer of State is to invest the money in the Fund not currently needed to meet obligations.

Money in the Fund at the end of the state fiscal year does not revert to the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development; Treasurer of State.

**Local Agencies Affected:**

**Information Sources:** *1996 County Business Patterns for Indiana.*